

REPORT BY THE BOARD OF DIRECTORS

The Board of Directors is responsible for the overall management of KMG's activities. Resolutions of the Board of Directors are adopted in the procedure set forth in the applicable laws and the KMG Charter. Even though the applicable laws and the KMG Charter allow the Board of Directors to adopt resolutions as long as a quorum is achieved and a certain majority of votes is cast in favour, KMG endeavours to have the most important resolutions adopted at meetings held in person and to have all Board members take part in the voting. KMG makes every effort to prepare such resolutions through preliminary consultations and to have such issues approved by a qualified majority vote, ensuring that the perspectives of independent directors are taken into account.

The Board of Directors determines KMG's business priorities and approves its Development Strategy; considers and makes resolutions on potential acquisitions and other significant financial issues, including the terms of bonds and derivatives issued by KMG; approves major and interested party transactions; approves acquisitions and transfers (assignments) of subsoil use rights; approves conclusion of partnership contracts (agreements) with strategic partners for joint implementation of subsoil use projects; approves investment projects funded by KMG or its subsidiaries; reviews the results of independent analysis of KMG's corporate governance framework; and approves a corporate governance improvement plan.

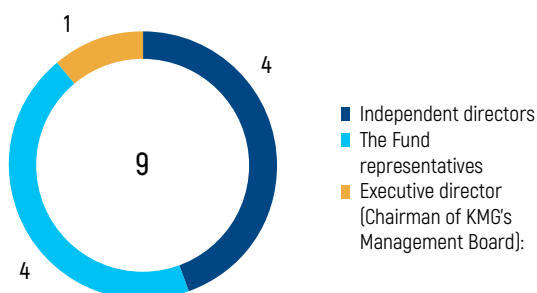
MEMBERSHIP OF THE BOARD OF DIRECTORS

KMG has a high proportion of independent Non-Executive directors with four directors out of the Board of nine directors being classified as independent.

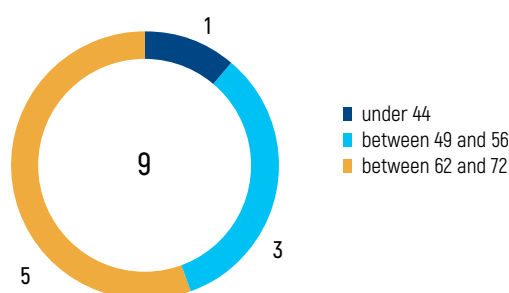
The Board of Directors has one woman, B. K. Grewal. Out of nine Board members, three are Kazakhstan nationals, four are UK nationals, one is a national of Malaysia, and one is a national of Portugal.

As at year end 2019, the Board composition was as follows:

TOTAL NUMBER OF BOARD MEMBERS:

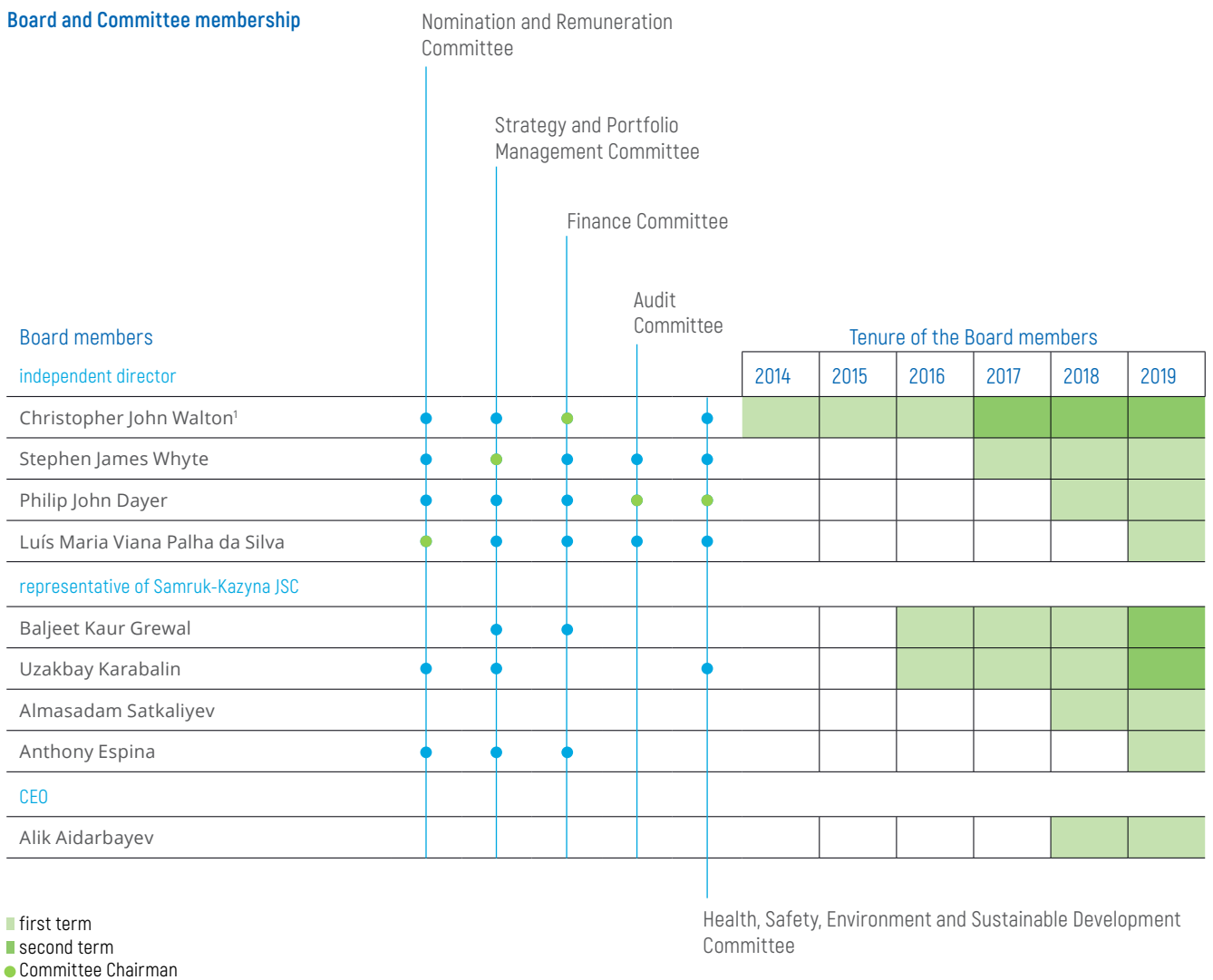


THE BOARD OF DIRECTORS' BREAKDOWN BY AGE:



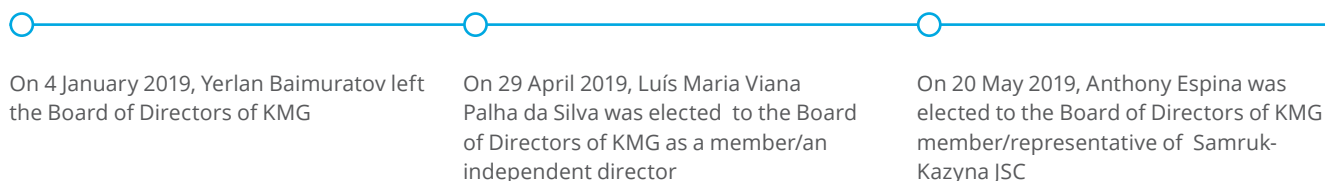
**Average age of Board members:
59 years**

Board and Committee membership



¹ Chairman of the Board of Directors.

In 2017, Samruk Kazyna JSC determined KMG’s Board of Directors to consist of nine members. However, over time, the membership decreased and at the beginning of 2019, the Board of Directors consisted of seven members. This was followed by the election of two more members to the Board of Directors in 2019. During 2019, the following changes occurred in the membership of KMG’s Board of Directors:



The procedure for nominating and selecting candidates to the Board of Directors is set out in the KMG Charter and other regulatory documents. Board members are elected by the General Meeting of Shareholders, supported by the Chairman of the Board of Directors and the Nomination and Remuneration Committee chair. The recruitment and hiring process is driven by transparency, impartiality, and meritocracy.

Members of the Board of Directors are elected from the candidates nominated as representatives of shareholders and other entities. Candidates to the Board of Directors are expected to possess the knowledge, skills, and experience required to perform their functions and support the creation of KMG’s long-term business value and sustainable growth, as well as to have an impeccable business reputation.

The Chairman of the Board of Directors is elected by the General Meeting of Shareholders.

Independent directors are elected in accordance with the approved guidelines for election of independent directors at companies that are part of Samruk-Kazyna Group.

Members of the Board of Directors are elected for a three-year term. Through a special consideration procedure, a member of the Board of Directors with a six-year continuous tenure may be re-elected for a new term, in each case considering the need for the Board to be effectively refreshed. As an exception, a member of the Board of Directors with a nine-year tenure may be re-elected (for independent directors, a detailed and compelling case needs to be prepared, to be disclosed by the Company to all stakeholders).

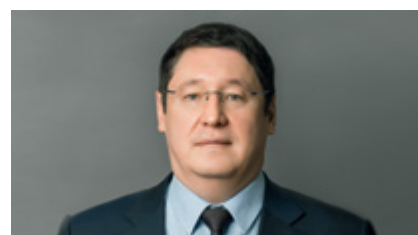
BREAKDOWN OF THE BOARD OF DIRECTORS BY EXPERTISE AND PREVIOUS EXPERIENCE OF SERVICE ON BOARDS AT OTHER COMPANIES



C. J. Walton
Transport, oil & gas, finance



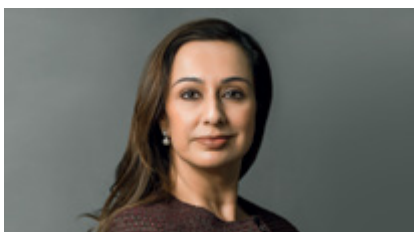
A. S. Aidarbayev
Oil & gas



A. M. Satkaliyev
Oil & gas, privatisation



U .S. Karabalin
Oil & gas



B. K. Grewal
Strategy, finance



A. Espina
Stock markets



P. J. Dayer
Finance, audit, risk management



S. J. Whyte
Oil & gas, strategy



L. M. Palha
Oil & gas, petrochemicals, HR

KMG believes that the Board of Directors is well-balanced across all areas in terms of its skills and expertise.



Christopher John Walton

Chairman of the Board of Directors, Independent Director

Member of KMG's Board of Directors since 2014

Date of birth: 19 June 1957

Education:

- Bachelor of Arts (BA) in Political Science, the University of Western Australia
- Master in Business Administration (MBA), Finance, the University of Western Australia
- Fellow of the Royal Aeronautical Society
- Fellow of the Institute of Directors

Experience

In addition to his role as Chairman of KMG's Board of Directors, Christopher Walton is Audit Chair of the Submarine Delivery Agency (UK) and a Non-Executive member of the Royal Navy's National Shipbuilding Strategy Client Board.

Pro-bono, Mr Walton is a trustee of the Guild of Freemen of the City of London's Charity. He recently stepped down as the Interim Chairman of the UK Institute of Directors.

He is an experienced company chairman: Lothian Buses plc (buses and trams), Goldenport Holdings (shipping) and Asia Resource Minerals plc (coal mining). In addition, he was the Senior Independent Director of Rockhopper Exploration plc (offshore oil exploration) and Audit Chair of JSC NC Kazakhstan Temir Zholy.

In the past he has been a Non-Executive member of the Audit Committee of the UK Department for Digital, Culture, Media and Sport. In addition, Mr Walton was a member of the Bank of the England's Regional Economic Advisory Panel (SE England & Anglia) from 2002 to 2005.

As Finance Director of easyJet plc, Mr. Walton successfully directed its IPO. He has held senior finance and commercial posts at Qantas, Air New Zealand, Australia Post and Australian Airlines. Mr. Walton has also worked for BP Australia, in the Australian Senate and for Hamersley Iron.

Mr Walton is a Court member (and Treasurer) of the Guild of Freemen of the City of London.

Holds no shares in KMG or its subsidiaries and associates (directly or indirectly) and is not involved in any transactions therewith.



Alik Aidarbayev

Member of KMG's Board of Directors, Chairman of KMG's Management Board

Member of KMG's Board of Directors since 2018

Date of birth: 19 May 1963

Education:

- Oil and Gas Fields Development Technology and Complex Mechanisation, Kazakh Polytechnic Institute named after V. I. Lenin

Experience

Between 1985 and 1995, Alik Aidarbayev worked at Zhetibayneft's Upstream Unit as an operating engineer, at Mangyshlakneft Oil Production Association as Deputy Head of a reservoir pressure maintenance shop, and later at SJSC Yuzhkazneftegas as Head of a reservoir pressure maintenance shop, Head of the Upstream Unit, Deputy CEO and First Vice President.

At different periods he was CEO of JSC Turgai Petroleum, CEO of JSC Mangistaumunaigaz, Upstream Managing Director at KMG, CEO of JSC KazMunaiGas Exploration Production, Akim of the Mangystau Region, First Vice Minister for Investments and Development of the Republic of Kazakhstan, and Deputy Chairman of the Management Board at Samruk-Kazyna JSC.

Holds no shares in KMG or its subsidiaries and associates (directly or indirectly) and is not involved in any transactions therewith.



Almasadam Satkaliyev

Member of KMG's Board of Directors, representative of Samruk-Kazyna JSC

Member of KMG's Board of Directors since 2018

Date of birth: 31 October 1970

Education:

- Stanford Executive Programme (SEP) and Stanford Graduate School of Business, Stanford University (US)
- Executive MBA and Graduate School of Business (a joint programme with Duke University's Fuqua School of Business), Nazarbayev University (Kazakhstan)
- Master in Economics, the Russian Presidential Academy of National Economy and Public Administration (Russia)
- The Finance Economics programme (specialisation: Economics), Department of Public Sector Economy and Finance, the Institute of Public Administration and Civil Service of the Russian Presidential Academy of National Economy and Public Administration (Russia)
- Mechanics and Applied Mathematics, Al-Farabi Kazakh National University (Almaty)

Experience

Almasadam Satkaliyev served as CEO of TaSSaT LLP, a manager and Head of the Clearance Department at CJSC NCOT KazTransOil, Vice President of Economics and Managing Director at the Nur-Sultan Representative Office, Head of the Project Management Department at JSC NCOT KazTransOil, CFO and Vice President of Economics at JSC Kazakhstan Electricity Grid Operating Company (KEGOC).

At different periods he was First Vice President of JSC Kazakhstan Electricity Grid Operating Company (KEGOC), Director for Power Generation Asset Management at JSC Kazakhstan Holding for the Management of State Assets Samruk, Director - Head of KEGOC Group, Vice Minister of Energy and Mineral Resources of the Republic of Kazakhstan, Chairman of the Management Board, First Vice President and President of KEGOC, Managing Director at Samruk-Kazyna JSC, Chairman of the Management Board of JSC Samruk-Energy, Deputy Chairman of KAZENERGY Association, and Head of the Asset Management Department at Samruk-Kazyna JSC.

Almasadam Satkaliyev also acted as a member of the Boards of Directors at JSC NC Kazakhstan Temir Zholy and Kazakhstan Electricity Association, Chairman of the Board of Directors of JSC KEGOC, Chairman of the Kazakhstan National Committee at the World Energy Council (WEC), a member of the Board and Chairman of the Coordination Council for Energy Development at KAZENERGY Association, Chairman of the Energy Committee and a member of the Presidium of National Chamber of Entrepreneurs of the Republic of Kazakhstan Atameken, and Chairman of the Committee on Power and Electrical Engineering at Association of Kazakhstan Machinery Industry.

Apart from that, Kazakhstani Electric Power Association awarded him an honorary title "Honored Power Engineer of the CIS" for his work in the field of energy.

Holds no shares in KMG or its subsidiaries and associates (directly or indirectly) and is not involved in any transactions therewith.



Uzakbay Karabalin

Member of KMG's Board of Directors, representative of Samruk-Kazyna JSC

Member of KMG's Board of Directors since 2016

Date of birth: 14 October 1947

Education:

- Mining Engineering, the Gubkin Russian State University of Oil and Gas
- Postgraduate programme at the Gubkin Russian State University of Oil and Gas
- Candidate of Technical Sciences
- Doctor of Technical Sciences
- Academician of the National and International Engineering Academies of the Republic of Kazakhstan

Experience

Uzakbay Karabalin held various positions at Kazneftegazorazvedka's administration office (the South Emba oil and gas prospecting expedition), Kazakh Scientific Research Geological Exploration Oil Institute, Prikaspiygeologiya's regional administration office, the Guryev branch of Kazakh Polytechnic Institute named after V. I. Lenin, the Industry Department of the Administration Office of the President and of the Cabinet of Ministers of the Republic of Kazakhstan.

At different periods he was Head of the Main Oil and Gas Department at the Ministry of Energy and Mineral Resources of the Republic of Kazakhstan, Deputy Minister of Energy and Fuel Resources of the Republic of Kazakhstan, Deputy Minister of Oil and Gas Industry of the Republic of Kazakhstan, First Vice President and Acting President of CJSC NOGC KazakhOil, President of CJSC KazTransGas, Vice Minister of Energy and Mineral Resources of the Republic of Kazakhstan, President of KMG, CEO of JSC Mangistaumunaigaz, CEO of the Kazakh Institute of Oil and Gas, Minister of Oil and Gas of the Republic of Kazakhstan, and First Deputy Minister of Energy of the Republic of Kazakhstan.

Uzakbay Karabalin was also Chairman of the Boards of Directors at CJSC KazTransOil, CJSC NC Oil and Gas Transportation, CJSC NC KazMunaiGas and JSC KazMunaiGas Exploration Production, Chairman of the Coordination Council and Deputy Chairman of KAZENERGY Association, a member of the Supervisory Board at KazRosGas LLP, a member of National Investors' Council under the President of the Republic of Kazakhstan, Chairman of the Board of Directors of the Atyrau University of Oil and Gas, and a member of the Board of Directors (Independent Director) of the Kazakh Institute of Oil and Gas.

Holds 9,655 ordinary shares in JSC KazTransOil.



Baljeet Kaur Grewal

Member of KMG's Board of Directors, representative of Samruk-Kazyna JSC

Member of KMG's Board of Directors since 2016

Date of birth: 2 May 1976

Education:

- Bachelor in International Economics with first-class honours, the University of Hertfordshire (UK) The Executive MBA programme, Cambridge University (UK)
- Advanced Exec Ed from Massachusetts Institute of Technology (MIT) Sloan School of Management on Blockchain Technologies.

Experience

Baljeet Grewal provides strategic oversight to the Fund's portfolio of investments and advises on corporate and investment strategy development.

She has 18 years of international experience in senior executive posts in sovereign wealth funds and global investment banks. She was Advisor at the Asian Development Bank (West Asian Mission), Managing Director & Vice Chairman at the investment research arm of Kuwait Finance House, Vice President of Maybank Group (Malaysia) and held senior investment banking posts at ABN AMRO Bank and Deutsche Bank.

Baljeet has deep experience in strategy, investment advisory and national economic strategies in emerging markets. She worked in close cooperation with the ECB, IMF, World Bank and various governing bodies on regulatory and policy development in emerging markets. She is an award winning research analyst having led a successful investment research arm in the Middle East and has extensive experience in the oil and gas sector of developing and frontier markets. Baljeet is a key advocate of women in finance.

Holds no shares in KMG or its subsidiaries and associates (directly or indirectly) and is not involved in any transactions therewith.



Anthony Espina

Member of KMG's Board of Directors, representative of Samruk-Kazyna JSC

Member of KMG's Board of Directors since 2019

Date of birth: 27 June 1948

Education:

- Bachelor of Business, University of Southern Queensland

Experience:

He started his career as a computer programmer in Australia in 1969. In 1971, he returned to Hong Kong and worked as a computer systems analyst developing business applications for the largest shipbuilder. In 1973, he joined Arthur Andersen & Co. as an auditor and was promoted to partner in 1982. His clients included large banks, insurance companies, fund management companies and the Hong Kong Government. During this time, in addition to assisting international banks in the development of IT Strategic Plans and implementation of banking systems, he also developed the housing database for the Hong Kong Housing Authority, which housed over 3 mln of the Hong Kong population (7.5 mln).

In 1986, he joined Deloitte as a partner in charge of consulting. During his time with Deloitte, he was seconded to the Hong Kong Government and developed the Central Clearing and Settlement System for the Stock Exchange of Hong Kong.

In 1991, he founded his own securities dealing and investment advisory business. In 2005, he was chairman of the Hong Kong Securities Association and is currently Permanent Honorary President of the Association. In 2012, he advised on the purchase of ATF Bank, one of the top ten banks in Kazakhstan, and in May 2013, he was appointed as CEO and Chairman of the Management Board of ATF Bank until his retirement in April 2019. He was also an Independent Non-Executive Director of the ENPF, the central provident fund of Kazakhstan from July 2014 to May 2017.

Joint appointment and membership in the Board of Directors:

- INED of China Cloud Copper Company Limited (listed on Hong Kong Exchanges and Clearing);
- NED of ATF Bank in Kazakhstan (listed on KASE, Kazakhstan).

Holds no shares in KMG or its subsidiaries and associates (directly or indirectly) and is not involved in any transactions therewith.



Philip John Dayer

Member of KMG's Board of Directors, Independent Director

Member of KMG's Board of Directors since 2018

Date of birth: 5 January 1951

Education:

- Bachelor of Laws, King's College London (UK)
- Fellow of the Institute of Chartered Accountants in England and Wales

Experience

After his qualification as a chartered accountant, Philip Dayer began his career in investment banking specializing in corporate finance at major banks.

In 2005, he retired from ABN AMRO Hoare Govett and since then has been an independent director at various oil and gas, software, and financial service companies. In 2006, he was engaged by Rosneft as a consultant and participated in the company's successful IPO.

Philip Dayer is currently a member of the Boards of Directors at PJSC Severstal, VTB Capital plc. and The Parkmead Group. From 2010 to 2018, he was a member of the Board of Directors of JSC KazMunaiGas Exploration Production.

Holds no shares in KMG or its subsidiaries and associates (directly or indirectly) and is not involved in any transactions therewith.



Stephen James Whyte

Member of KMG's Board of Directors, Independent Director

Member of KMG's Board of Directors since 2017

Date of birth: 20 January 1966

Education:

- Bachelor of Science in Geophysics (with honours), the University of Edinburgh (UK)
- International Baccalaureate, Pearson College UWC (Canada)

Experience

Stephen James Whyte has extensive experience in the oil and gas industry. At different periods he headed field development groups at Shell, directed joint ventures and infrastructure at Shell EP Europe, was Commercial Director, Business Development Manager, Non-Operating Assets Manager and Head of Exploration at Clyde Petroleum B.V., Upstream Vice President and Head of Shell EP's Brazil office, Senior Vice President Commercial at BG Group, COO and Head of Exploration and Production at Galp Energia. Between April 2017 and December 2019, he held the role of the Non-Executive Chairman of Genel Energy plc.

Currently, Stephen Whyte serves as Non-Executive Director at Echo Energy plc. He was also Non-Executive Chairman of the Board of Directors at Sound Energy plc and Executive Director on the Board of Directors of Galp Energia, a Portuguese major. In these companies, he served as a member and Chairman of nominations, remuneration, audit, and HSE committees.

Holds no shares in KMG or its subsidiaries and associates (directly or indirectly) and is not involved in any transactions therewith.



Luís Maria Viana Palha da Silva

Member of KMG's Board of Directors, Independent Director

Member of KMG's Board of Directors since 2019

Date of birth: 18 February 1956

Education:

- Bachelor in Economics, Lisbon School of Economics and Management (Portugal)
- Bachelor in Economics; Management and Business Administration, the Catholic University of Portugal
- Advanced Management Programme (AMP), the Wharton School of the University of Pennsylvania (US)
- Key Strategic Issues in Modern Retailing, INSEAD business school
- Leading Organic Growth, the Darden School of the University of Virginia (US)

Experience

Between 1981 and 1986, Luís Maria Viana Palha da Silva was a manager at a leading Portuguese inorganic chemistry company. From 1987 to 1992, he was CFO of Covina, Companhia Vidreira Nacional, a leading Portuguese producer of sheet glass.

Over the next three years, he served as Secretary of State for Trade, responsible for foreign trade and controlling national investment, foreign trade, food safety and competition authorities of the Government of Portugal.

In his tenure as CFO of Cimpor - Cimentos de Portugal from 1995 to 2001, he turned the company into a regional leader in the production of cement, concrete, aggregates, lime and other construction materials after a series of mergers and acquisitions. In 2001, he joined Jerónimo Martins (JM) as CFO and then as CEO. From 2004 to 2010, as he held these positions at the JM Group level, Jerónimo Martins' became one of the top three market caps in Portuguese stock exchange. In recent years, he worked at Galp Energia as Vice Chairman of the Board of Directors and Head of Refining and Marketing responsible for the development of two refineries in Portugal.

Since 2015 he has been Chairman of the Board of Directors at PHAROL.

At different periods he was President of Apetro (the Portuguese association of oil companies), an independent member of the Board of Directors and Audit Committee at NYSE Euronext in New York, and Chairman of the Portuguese Issuers Association (AEM). Currently, he is a Non-Executive member of the Board of Directors of Nutrinveste (one of largest Portuguese olive oil producers), Chairman of the Audit Committee of Seguradoras Unidas (insurance company in Portugal, with presence in Angola and Mozambique) and Chairman of the General Meeting and member of Supervisory Board of EDP Electricidade de Portugal (leading electricity company in Portugal, listed in Euronext Lisbon).

Holds no shares in KMG or its subsidiaries and associates (directly or indirectly) and is not involved in any transactions therewith.